

MI HEALTH ACCOUNT



EXECUTIVE SUMMARY REPORT

NOVEMBER 2015

HEALTHY MICHIGAN PLAN MI HEALTH ACCOUNT: NOVEMBER 2015

MAXIMUS contracts with each Healthy Michigan Plan health plan to operate the MI Health Account (MIHA). The MIHA documents health care costs and payments for health plan members eligible for the Healthy Michigan Plan. Any amount the beneficiary owes to the MIHA is reflected in the quarterly statement that is mailed to the beneficiary. The MIHA quarterly statement shows the total amount owed for co-pays and/or contributions.

A co-pay is a fixed amount beneficiaries pay for a health care service. Before a beneficiary is enrolled in managed care, the beneficiary will pay any co-pays directly to their provider at the time of service. Once enrolled in managed care, co-pays for health plan covered services will be paid into the MIHA.

A contribution is the amount of money that is paid toward health care coverage. **Beneficiaries with incomes at or below 100% of the Federal Poverty Level (FPL) will NOT have a contribution.** Beneficiaries above 100% FPL are required to pay contributions that are based on income and family size. The quarterly statement informs beneficiaries what to pay for co-pays and contributions each month for the next three months, includes payment coupons with instructions on how to make a payment, as well as tips on how to reduce costs (Healthy Behavior incentives). The statement lists the services the beneficiary has received, the amount the beneficiary has paid, what amount they still need to pay, and the amount the health plan has paid.

Quarterly Statement Mailing Guidelines

- The first quarterly statement is mailed six months after a beneficiary joins a health plan. After that, quarterly statements are sent every three months.
- A beneficiary follows his or her own enrollment quarter based on their enrollment effective date.
- Quarterly statements are mailed by the 15th calendar day of each month
- Statements are not mailed to beneficiaries if there are no health care services to display or payment due for a particular quarter.

Chart 1 displays the statement mailing activity for the past six months including co-pay and contribution amounts owed at the time the statement was mailed.

| Chart 1: Account Statement Mailing | | | | | | | |
|------------------------------------|-------------------|-----------------------------------|--|---|-------------------------|--------------------------------|--|
| Month Statement Mailed | Statements Mailed | Statements Requiring a Copay Only | Statements Requiring a Contribution Only | Statements Requiring a Copay and Contribution | Total Copay Amount Owed | Total Contribution Amount Owed | Percentage of Statements Requiring Payment |
| May-15 | 44,567 | 10,857 | 3,510 | 5,010 | \$114,096.56 | \$463,685.26 | 43.48% |
| Jun-15 | 69,748 | 16,568 | 4,725 | 7,842 | \$185,968.11 | \$679,431.06 | 41.77% |
| Jul-15 | 96,770 | 22,745 | 6,427 | 9,913 | \$250,438.00 | \$897,209.03 | 40.39% |
| Aug-15 | 61,759 | 14,472 | 5,448 | 7,478 | \$153,361.67 | \$706,162.56 | 44.36% |
| Sep-15 | 76,512 | 17,398 | 6,830 | 8,596 | \$186,792.48 | \$831,609.13 | 42.90% |
| Oct-15 | 95,337 | 20,085 | 8,920 | 9,259 | \$186,698.16 | \$993,375.77 | 40.14% |
| Nov-15 | 62,459 | 26,447 | 8,602 | 6,791 | \$177,522.02 | \$841,134.41 | 66.99% |

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Payments for the MIHA are due on the 15th of the month following the month they were billed.

Chart 2 displays a collection history of the number of beneficiaries that owe into the MIHA, the number of beneficiaries that have paid and the total dollar amount collected. The chart below displays all quarterly statement mailings, amounts owed and amounts collected to date. Completed quarterly payment cycles are explained and reflected in chart 3.

| Chart 2: Collection Amount Summary | | | | | | |
|------------------------------------|-------------------------------|------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------|
| Month Statement Mailed | Beneficiaries Required to Pay | Number of Beneficiaries Paid | Percent of Beneficiaries Paid | Total Amount Owed* | Amount Collected | Percentage Collected* |
| Oct-14 | 3,974 | 1,941 | 48.84% | \$24,498.08 | \$13,165.41 | 53.74% |
| Nov-14 | 2,295 | 906 | 39.48% | \$40,822.08 | \$22,052.67 | 54.02% |
| Dec-14 | 26,414 | 10,670 | 40.40% | \$489,289.03 | \$272,154.02 | 55.62% |
| Jan-15 | 32,237 | 10,674 | 33.11% | \$589,328.78 | \$275,196.29 | 46.70% |
| Feb-15 | 14,358 | 4,620 | 32.18% | \$251,537.34 | \$117,889.53 | 46.87% |
| Mar-15 | 37,141 | 12,066 | 32.49% | \$648,885.91 | \$291,511.55 | 44.92% |
| Apr-15 | 38,130 | 10,522 | 27.60% | \$664,739.33 | \$253,073.54 | 38.07% |
| May-15 | 24,387 | 6,152 | 25.23% | \$414,616.81 | \$152,116.75 | 36.69% |
| Jun-15 | 36,977 | 10,660 | 28.83% | \$666,044.08 | \$268,037.26 | 40.24% |
| Jul-15 | 49,001 | 11,709 | 23.90% | \$832,197.87 | \$277,939.34 | 33.40% |
| Aug-15 | 34,876 | 6,248 | 17.91% | \$550,459.48 | \$160,434.11 | 29.15% |
| Sep-15 | 41,420 | 9,287 | 22.42% | \$1,018,401.61 | \$202,039.69 | 19.84% |
| Oct-15 | 47,522 | 8,484 | 17.85% | \$1,180,073.93 | \$147,098.64 | 12.47% |
| Nov-15 | 48,639 | 1,418 | 2.92% | \$1,018,656.43 | \$19,788.54 | 1.94% |
| TOTAL | 437,371 | 105,357 | 24.09% | \$8,389,550.76 | \$2,472,497.34 | 29.47% |

***Note: The total amount owed and percentage collected will fluctuate within a quarter as changes to beneficiary circumstances affect the MIHA. For instance, if a beneficiary reports a change in income that drops them below 100% of FPL, contribution amounts will be adjusted and may include removal of amounts reflected on the last quarterly statement that are not yet paid.**

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Chart 3 displays the total amount collected by completed quarter, by enrollment month, since the implementation of the MIHA. For example, beneficiaries who enrolled in May 2014 received their first quarterly statement in November 2014. These individuals had until February 2015 to pay in full, which constitutes a completed quarter. Please note that the Percentage Collected will change even in completed quarters because payments received are applied to the oldest invoice owed.

| Chart 3: Quarterly Collection | | | | |
|-------------------------------|----------------------|--------------|------------------|----------------------|
| Enrollment Month | Quarterly Pay Cycles | Amount Owed | Amount Collected | Percentage Collected |
| April 2014 | Oct 2014 - Dec 2014 | \$24,498.08 | \$13,165.41 | 53.74% |
| | Jan 2015 - Mar 2015 | \$206,825.59 | \$101,446.87 | 49.05% |
| | Apr 2015 - Jun 2015 | \$174,871.90 | \$70,811.94 | 40.49% |
| | Jul 2015 - Sept 2015 | \$175,032.07 | \$55,821.64 | 31.89% |
| May 2014 | Nov 2014 - Jan 2015 | \$40,822.08 | \$22,052.67 | 54.02% |
| | Feb 2015 - Apr 2015 | \$63,909.49 | \$30,322.56 | 47.45% |
| | May 2015 - Jul 2015 | \$50,619.79 | \$22,229.93 | 43.92% |
| | Aug 2015 - Oct 2015 | \$45,257.33 | \$14,772.42 | 32.64% |
| June 2014 | Dec 2014 - Feb 2015 | \$489,289.03 | \$272,154.02 | 55.62% |
| | Mar 2015 - May 2015 | \$412,515.05 | \$197,966.87 | 47.99% |
| | Jun 2015 - Aug 2015 | \$371,065.18 | \$171,938.08 | 46.34% |
| July 2014 | Jan 2015 - Mar 2015 | \$382,503.19 | \$173,749.42 | 45.42% |
| | Apr 2015 - Jun 2015 | \$294,507.11 | \$110,717.37 | 37.59% |
| | Jul 2015 - Sept 2015 | \$269,728.77 | \$88,646.61 | 32.87% |
| Aug 2014 | Feb 2015 - Apr 2015 | \$187,627.85 | \$87,566.97 | 46.67% |
| | May 2015 - Jul 2015 | \$144,115.76 | \$51,413.91 | 35.68% |
| | Aug 2015 - Oct 2015 | \$120,524.67 | \$35,872.43 | 29.76% |
| Sept 2014 | Mar 2015 - May 2015 | \$236,370.86 | \$93,544.68 | 39.58% |
| | Jun 2015 - Aug 2015 | \$176,050.79 | \$53,008.51 | 30.11% |
| Oct 2014 | Apr 2015 - Jun 2015 | \$195,360.32 | \$71,544.23 | 36.62% |
| | Jul 2015 - Sept 2015 | \$151,639.43 | \$41,678.68 | 27.49% |
| Nov 2014 | May 2015 - Jul 2015 | \$219,881.26 | \$78,472.91 | 35.69% |
| | Aug 2015 - Oct 2015 | \$158,181.93 | \$36,463.84 | 23.05% |
| Dec 2014 | Jun 2015 - Aug 2015 | \$118,928.11 | \$43,090.67 | 36.23% |
| Jan 2015 | Jul 2015 - Sept 2015 | \$235,797.60 | \$91,792.41 | 38.93% |

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Payments for the MIHA can be made one of two ways. Beneficiaries can mail a check or money order to the MIHA payment address. The payment coupon is not required to send in a payment by mail. Beneficiaries also have the option to pay online using a bank account.

Chart 4 displays a six month history of the percentage of payments made into the MIHA.

| Chart 4: Methods of Payment | | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 |
| Percent Paid Online | 26.14% | 28.02% | 30.79% | 27.51% | 25.55% | 27.22% |
| Percent Paid by Mail | 73.86% | 71.98% | 69.21% | 72.49% | 74.45% | 72.78% |

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Adjustment Activities

Beneficiaries are not required to pay co-pays and/or contributions when specific criteria are met. In these cases, an adjustment is made to the beneficiary's quarterly statement.

This includes populations that are exempt; beneficiaries that are under age 21, pregnant, in hospice and Native American beneficiaries. It also includes beneficiaries who were not otherwise exempt, but have met their five percent maximum cost share and beneficiaries whose Federal Poverty Level is no longer in a range that requires a contribution.

| Chart 5A: Adjustment Activities | | | | |
|------------------------------------|--------------------|-------------------|--------------------|---------------------|
| | Nov-15 | | YTD | |
| | # of Beneficiaries | Total \$ | # of Beneficiaries | Total \$ |
| Beneficiary is under age 21 | 452 | 27,427.00 | 4259 | \$234,578.35 |
| Pregnancy | 403 | 13,323.24 | 3716 | \$107,885.04 |
| Hospice | 0 | 0.00 | 0 | \$0.00 |
| Native American | 36 | 1,983.50 | 390 | \$21,120.50 |
| Five Percent Cost Share Limit Met | 5,102 | 476,352.65 | 284,539 | \$3,974,296.73 |
| FPL No longer >100% - Contribution | 0 | 0.00 | 0 | \$0.00 |
| TOTAL | 5,993 | 519,086.39 | 292,904 | 4,337,880.62 |

Healthy Behavior Incentives

There are also cases in which a beneficiary may qualify for a reduction in co-pays and/or contributions due to Healthy Behavior incentives. All health plans offer enrolled beneficiaries financial incentives that reward healthy behaviors and personal responsibility. To be eligible for incentives a beneficiary must first complete a health risk assessment (HRA) with their primary care provider (PCP) and agree to address or maintain health behaviors.

Co-pays – Beneficiaries can receive a 50% reduction in co-pays once they have paid 2% of their income in co-pays AND agree to address or maintain healthy behaviors.

Contributions - Beneficiaries can receive a 50% reduction in contributions if they complete an HRA with a PCP attestation and agree to address or maintain healthy behaviors.

Gift Cards – Beneficiaries at or below 100% FPL receive a \$50.00 gift card if they complete an HRA with a PCP attestation and agree to address or maintain healthy behaviors.

| Chart 5B: Healthy Behaviors | | | | |
|-----------------------------|--------------------|--------------------|--------------------|---------------------|
| | Nov-15 | | YTD | |
| | # of Beneficiaries | Total \$ | # of Beneficiaries | Total \$ |
| Co-pay | 195 | 582.07 | 1,043 | \$4,508.46 |
| Contribution | 2,057 | 70,564.03 | 19,195 | \$622,122.68 |
| Gift Cards | 10,826 | n/a | 167,790 | n/a |
| TOTAL | 13,078 | \$71,146.10 | 188,028 | \$626,631.14 |

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Beneficiaries that do not pay three consecutive months they have been billed copays or contributions are considered “consistently failing to pay (CFP)” status. Once a beneficiary is in CFP status, the following language is added to the quarterly statement: “If your account is overdue, you may have a penalty. For example, if you have a healthy behavior reduction, you could lose it. Your information may also be sent to the Michigan Department of Treasury. They can take your overdue amount from your tax refund or future lottery winnings. Your doctor cannot refuse to see you because of an overdue amount.” Beneficiaries that are in CFP status and have a total amount owed of at least \$50 can be referred to the Department of Treasury for collection. Beneficiaries that have not paid at least 50% of their total contributions and copays billed to them in the past 12 months can also be referred to the Department of Treasury for collection.

Chart 6 displays the past due collection history and the number of beneficiaries that have past due balances that can be collected through the Department of Treasury.

| Chart 6: Past Due Collection Amounts | | |
|---|---|---|
| Month | # of Beneficiaries with Past Due Co-pays/Contributions | # of Beneficiaries with Past Due Co-pays/Contributions that are Collectible Debt |
| Jun-15 | 29,073 | 1,404 |
| Jul-15 | 38,956 | 2,198 |
| Aug-15 | 46,584 | 830 |
| Sep-15 | 49,638 | 2,627 |
| Oct-15 | 53,078 | 3,273 |
| Nov-15 | 59,458 | 1,706 |

Chart 7 displays the total amount of past due invoices according to the length of time the invoice has been outstanding.

| Chart 7: Delinquent Copay and Contribution Amounts by Aging Category | | | | | | |
|---|------------------|-------------------|-------------------|--------------------|---------------------|-----------------------|
| Days | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | >120 Days | TOTAL |
| Amount Due | \$588,870.77 | \$503,276.05 | \$443,102.89 | \$396,990.10 | \$1,754,955.73 | \$3,687,195.54 |
| Number of Beneficiaries That Owe | 52,537 | 48,820 | 42,460 | 38,171 | 50,260 | 89,674 |